

MTI DECLINES SMA'S REQUEST TO EXCLUDE GUIDELINES ON FEES FROM THE COMPETITION ACT

1. After careful consideration, the Ministry for Trade and Industry (MTI) has, in consultation with the Ministry of Health (MOH), decided to decline the Singapore Medical Association (SMA)'s request to exclude its Guidelines on Fees (GOF) from the Competition Act.
2. SMA removed its GOF voluntarily in April 2007 after being advised by its lawyers that the GOF could contravene the Competition Act. SMA then requested the Minister for Trade and Industry to exclude the GOF from the Competition Act on grounds of public policy. In SMA's opinion, the GOF increases the information available to patients on the prices of medical services, thus preventing over-charging and keeping health-care costs down.
3. Keeping patients informed on prices is important. In the absence of other sources of information, the GOF could be useful in providing an indication of prices for various medical fees. However, MTI, in consultation with MOH, has assessed that MOH's current and continuing measures to improve information transparency better serves this purpose. MOH's measures include publishing actual medical fees on MOH's website, requiring hospitals to provide financial counselling to patients and requiring medical bills to be itemised. These measures provide more information as they are based on actual prices. On the other hand, the GOF is a system of recommended fees set by a group of doctors, which creates risk of anti-competitive behaviour.

4. The GOF is also unlikely to play a significant role in keeping health-care costs down. The GOF applies only to the private sector. Currently, the public sector through the restructured hospitals and government-owned specialty centres provides 80% of hospital services. These public healthcare fees are independent of the GOF. Public sector healthcare providers are a credible alternative to private hospitals and provide patients with a benchmark against which to compare fees charged by doctors in the private sector. Moreover, patients who use private medical services today can still choose to access subsidised medical care in the restructured hospitals. For example, in the event of long and costly illnesses.

5. MTI notes MOH's assessment that the primary care segment (provided largely by general practitioners in private clinics) is already competitive as they pertain to medical services for common recurring ailments, allowing patients to judge and choose based on what constitutes a 'reasonable' price. MOH has also increased price transparency in this segment by requiring clinics to display their common charges. The removal of the GOF is thus unlikely to have any effects on the prices of primary care services.

6. In addition, the Singapore Medical Council (SMC) is empowered under the Medical Registration Act (MRA) to act upon complaints received against medical practitioners, which may also include complaints on over-charging that brings disrepute to the profession. The SMC may take disciplinary action against such medical practitioners.

7. The Government has put in place various measures that are more effective and direct than the GOF in addressing the key problem of information asymmetry in the health-care market, without the potential risk of anti-competitive behaviour.

MINISTRY OF TRADE AND INDUSTRY
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